

CUBAN AND OTHER MIDDLE AMERICAN DEVELOPMENTS

Che Guevara's economic mission scored an important success with the large-scale trade and aid agreements signed at the conclusion of its two-week visit to Communist China on 30 November. Under the agreement--the largest concluded by Communist China with a non-bloc country--Peiping will pro-wide a \$60,000,000 interest
Office line of credit to be used Chetween 1961 and 1965. It will also import 1,000,000 tons of

Cuban sugar next year, double the quantity it had agreed to buy annually for the next five years under the agreement signed last July. The Cuban ambassador to Peiping, Oscar Pino Santos, presented his credentials to Chinese Communist leaders on 26 November. In the numerous speeches that accompanied this and Guevara's visit, the alleged similarities between recent conditions in China and



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present conditions in Cuba--and in Latin America generally--have repeatedly been stressed, along with expressions of eternal friendship between the Cuban and Chinese peoples. The first five officials of the Chinese Communist Embassy arrived in Havana on 28 November, and Ambassador Shen Chien, who is believed to have had intelligence experience, is expected shortly. Communist China's first embassy in this hemisphere is likely to become the center for subversion throughout Latin America.

Announcement of the establishment of diplomatic relations between Cuba and North Vietnam, which Cuba earlier expected on 15 November, is likely to come as a result of the visit to Hanoi beginning on 28 November by a member of Guevara's mission, Subsecretary of Foreign Affairs Rodriguez Llompart. Guevara, or part of his mission, may also visit Ulan Bator. On 12 November, Fidel Castro cabled the Mongolian "peace" committee thanking it for its support of Cuba and declaring that Cuba fully identifies itself with the struggle of the Mongolian people for "total sovereignty and independence for all nations of the world."

The Castro regime, however, suffered at least two setbacks in the past few days in its efforts to expand commercial ties with free world countries, on which it continues to depend for a number of vital imports and for markets for over half its exports. On 25 November it became apparent that lengthy negotiations with Japan for the purchase of 50,000 tons of Cuban sugar had fallen through, largely because the Japanese found they could purchase sugar elsewhere at a lower price.

that the Japanese had also been growing increasingly irritated over the lengthy delivery time for Cuban sugar and worried about possible claims on the sugar by representatives in Japan of expropriated Cuban sugar mills.

These difficulties are probably reflected in Cuban efforts to sell its sugar in other free world countries. The Sino-So-viet bloc purchased about 40 percent of Cuba's sugar exports this year and next year is committed to buy some 2,200,000 tons of a crop that normally exceeds 5,500,000 tons.

The regime has also suffered a setback from Canada, on which it is counting heavily for assistance in overcoming the more critical effects of the United States export controls, particularly in respect to spare parts for sugar mills and oil refineries. A Cuban effort to establish regular commercial flights to Canada as one means of strengthening trade ties was rebuffed by the Canadians on 27 November. Ottawa informed Havana that it was not now prepared to negotiate an airagreement and even refused permission for a single flight by a plane the Cubans claimed was already loaded with tomatoes for Canada.

Although the Castro regime continues its military build-up, speeches by Cuban officials now imply that the immediate danger of an "imperialist invasion" has passed.



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Concern over Cuban subversion is increasing in other



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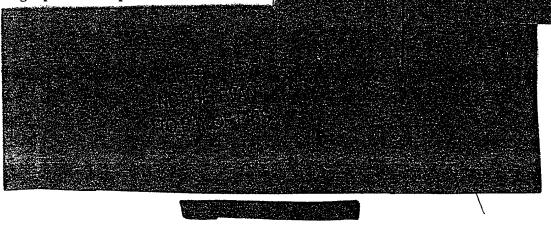
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Latin American capitals.

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Foreign Ministry warned its embassy of reports that
the Cuban Embassy there is issuing Cuban passports to nationals of other countries to
permit their entry into Latin
America. The Embassy
was instructed to refer to the
Foreign Ministry all requests
for visas by individuals holding Cuban passports,
if possible attaching a photograph of the person concerned.



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